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UNCLAS RIYADH 001422

SENSITIVE  
SIPDIS

STATE PASS TO USTR FOR CHRIS WILSON AND JASON BUNTIN  
STATE PASS TO DOC FOR STEVEN GARRETT  
DEPT FOR NEA/ARP

E.O. 12958: N/A

TAGS: [ETRD](#) [KIPR](#) [ECON](#) [EINV](#) [PREL](#) [SA](#)

SUBJECT: INDUSTRY LAUDS MILESTONE EXCLUSIVE MARKETING  
RIGHTS APPROVAL

REF: A. 08 RIYADH 284  
[1](#)B. 09 RIYADH 290  
[1](#)C. 09 RIYADH 386  
[1](#)D. 09 RIYADH 524  
[1](#)E. 09 RIYADH 1366  
[1](#)F. 09 RIYADH 1375

[11.](#) (SBU) Chair of the inter-ministerial IPR Committee Mohammad Al-Aiyash told EconCouns October 12 that King Abdullah approved a granting of Exclusive Marketing Rights (EMR) to pharmaceutical companies under a Proposal first put forth by USTR in 2007. The King's decision formally brings the protection into effect, which directs the Directorate of Industrial Property at the King Abdulaziz City for Science and Technology (KACST) to provide protection to those drugs registered before the implementation of the new Saudi patent system in 2004.

[12.](#) (SBU) Industry representatives lauded the EMR approval in a meeting with visiting AUSTR Chris Wilson on October 18, saying it was a "great achievement" and "a milestone" for the pharmaceutical industry in Saudi Arabia. Once fully implemented, U.S. companies estimate the EMR agreement will increase their annual revenue approximately \$100 to \$120 million.

[13.](#) (SBU) Notification of the decree has been sent to the Ministry of Commerce and Industry, the Ministry of Health, the Saudi Food and Drug Authority (SFDA), and KACST, according to Al-Aiyash. As all pharmaceutical licensing has moved from the Ministry of Health to the SFDA in July, the Ministry of Commerce will officially forward the notification to the SFDA after which the SFDA will publish it in the official gazette. AUSTR Wilson asked Deputy Minister of Commerce and Industry Abdullah Al-Hamoudi for a copy of the EMR once published, as well as an outline of next steps to fully implement the EMR.

4 (SBU) Comment: This action by the King is an important step, filling a gap left by the 2004 patent law. Embassy Riyadh will continue to work with the Ministry of Commerce and Industry to ensure all remaining steps are taken to enforce this welcome decision. End comment.

[15.](#) (U) AUSTR Chris Wilson cleared on this cable.  
SMITH